

OPEN MEETING ITEM

COMMISSIONERS
DOUG LITTLE - Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY ROBIN

ORIGINAL



0000169266

RECEIVED

ARIZONA CORPORATION COMMISSION

2016 MAR 28 A 11:19

DATE: MARCH 28, 2016
DOCKET NO.: W-02393A-15-0349
TO ALL PARTIES:

AZ CORP COMMISSION
DOCKET CONTROL

Enclosed please find the recommendation of Administrative Law Judge Belinda Martin. The recommendation has been filed in the form of an Order on:

CHAPARRAL WATER PROPERTIES, INC., DBA CHAPARRAL WATER COMPANY
(RATES)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

APRIL 6, 2016

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

APRIL 12, 2016 AND APRIL 13, 2016

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission

DOCKETED

MAR 28 2016

JODI A. JERICH
EXECUTIVE DIRECTOR

DOCKETED BY

1200 WEST WASHINGTON STREET, PHOENIX, ARIZONA 85007-2927 / 400 WEST CONGRESS STREET, TUCSON, ARIZONA 85701-1347

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This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SABernal@azcc.gov.

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 DOUG LITTLE – Chairman
4 BOB STUMP
5 BOB BURNS
6 TOM FORESE
7 ANDY TOBIN

8 IN THE MATTER OF THE APPLICATION OF
9 CHAPARRAL WATER PROPERTIES, INC.,
10 DBA CHAPARRAL WATER COMPANY FOR
11 APPROVAL OF A RATE INCREASE.

DOCKET NO. W-02393A-15-0349

DECISION NO. _____

ORDER

9 Open Meeting
10 April 12 and 13, 2016
11 Phoenix, Arizona

12 **BY THE COMMISSION:**

13 Having considered the entire record herein and being fully advised in the premises, the Arizona
14 Corporation Commission (“Commission”) finds, concludes, and orders that:

15 **FINDINGS OF FACT**

16 **Procedural History**

17 1. On October 9, 2015, Chaparral Water Properties Inc., dba Chaparral Water Company
18 (“Chaparral” or “Company”) filed with the Commission an application for an increase in its permanent
19 rates and charges (“Application”).

20 2. On October 26, 2015, the Company filed an Affidavit of Customer Mailing indicating
21 that it provided public notice of the Application to its customers on October 8, 2015. One customer
22 filed an opinion opposing the rate increase.

23 3. On November 9, 2015, the Commission’s Utilities Division (“Staff”) issued a Notice of
24 Sufficiency indicating that the Application was sufficient pursuant to Arizona Administrative Code
25 (“A.A.C.”) R14-2-103, and classifying the Company as a Class E utility.

26 4. On January 8, 2016, after conducting an investigation of Chaparral’s proposed rates and
27 charges for water service, Staff filed its Staff Report on the Application.

28 5. On January 19, 2016, the Company filed its Comments to Staff Report objecting to

1 certain of Staff's recommendations.

2 6. By Procedural Order issued January 29, 2016, Staff was directed to file an updated Staff
3 Report addressing a number of issues set forth in the Procedural Order.

4 7. Staff docketed its Supplemental Staff Report on February 11, 2016, and the Company
5 filed its Comments to Revised Staff Report on March 11, 2016.

6 **Company Background**

7 8. Chaparral is organized as an Arizona C Corporation engaged in the business of
8 providing water utility service to the public in an area located approximately one mile west of Grand
9 Avenue near Patton Road and 203rd Avenue in the Phoenix metropolitan area, Maricopa County,
10 Arizona, pursuant to authority granted by the Commission in Decision No. 52362 (August 1, 1981).

11 9. Chaparral's water system is comprised of four wells, producing approximately 330
12 gallons per minute, six storage tanks holding 270,000 gallons, and the distribution system. Staff
13 concluded that the system has adequate production and storage capacity to serve the existing customer
14 base and reasonable growth.

15 10. The Maricopa County Environmental Services Department ("MCESD"), a delegated
16 agency of the Arizona Department of Environmental Quality ("ADEQ") indicated in an October 28,
17 2015, report that the Company's water system is in compliance with the regulatory agency's
18 requirements and is providing water that meets State and Federal drinking water quality standards
19 required by 40 C.F.R. 141 and A.A.C. Title 18, Chapter 4.

20 11. Chaparral is located within the Phoenix Active Management Area ("AMA") designated
21 by the Arizona Department of Water Resources ("ADWR"). Staff stated that it received a compliance
22 status report from ADWR issued November 14, 2015, indicating that Chaparral is not in compliance
23 with ADWR requirements.¹

24 12. We believe it is reasonable to require Chaparral to file with Docket Control, as a
25

26 ¹ In the Engineering Report attached to the original Staff Report, Engineering Staff made the following recommendation:
27 "Staff recommends that any increase in rates and charges approved in this proceeding not become effective until the first
28 day of the month following the Company's filing of an updated ADWR Compliance Status Report indicating that the
Company is in compliance with ADWR requirements." (Engineering Report, page 5.) This recommendation did not appear
in Staff's final recommendations. In Staff's Supplemental Staff Report, Staff noted the inconsistency and stated that this
recommendation should be deleted.

1 compliance item in this docket, within 30 days of the effective date of this Decision, either an updated
2 ADWR Compliance Status Report indicating that the Company is in compliance with ADWR
3 requirements, or a letter explaining why the Company is out of compliance with ADWR regulations
4 and what steps are being taken to correct the issue.

5 13. The Commission has previously approved the Company's Curtailment Tariff and its
6 Backflow Prevention Tariff.

7 14. According to the Staff Report, Chaparral is in compliance with prior Commission
8 Orders and is in good standing with the Commission.

9 15. Staff noted its search of the Consumer Services database indicated that in the past four
10 years, there have been four billing complaints, one disconnection complaint, two quality of service
11 complaints, and one repair complaint. All complaints and been resolved and closed.

12 16. Staff reports that Chaparral is current on the payment of its property taxes.

13 17. Chaparral's present rates and charges for water service were approved in Decision No.
14 71833 (August 10, 2010).

15 **Rate Application**

16 18. The Application is based on a test year ended December 31, 2014. During the test year,
17 Chaparral served an average of 296 metered customers, primarily residential, and mostly served by 5/8
18 x 3/4-inch meters.

19 19. The average and median usage for customers on a 5/8 x 3/4-inch meter were 10,293
20 gallons and 6,697 gallons, respectively.²

21 20. The water rates and charges for Chaparral at present, as proposed by the Company in its
22 January 19, 2016, Comments to Staff Report, and as recommended by Staff are as follows:

23 ...

24 ...

25 ...

26 ...

27

28 ² In the prior test year ending June 30, 2009, the average and median usages were 12,823 gallons and 8,516 gallons, respectively.

MONTHLY USAGE CHARGE:

	<u>Present</u> <u>Rates</u>	<u>Proposed Rates</u>	
		<u>Company</u>	<u>Staff</u>
5/8" x 3/4" Meter	\$13.25	\$23.75	\$20.25
3/4" Meter	19.28	36.00	30.38
1" Meter	32.50	59.38	50.53
1 1/2" Meter	64.25	120.00	101.25
2" Meter	103.50	190.00	162.00
3" Meter	205.60	384.00	324.00
4" Meter	321.25	600.00	506.25
6" Meter	642.50	1,200.00	1,012.50
8" Meter	N/A	2,400.00	1,620.00

COMMODITY RATES
(Per 1,000 Gallons)

	<u>Present</u> <u>Rates</u>	<u>Proposed Rates</u>	
		<u>Company</u>	<u>Staff</u>
<u>All Meter Sizes, All Classes</u>			
0 to 7,000 Gallons	\$1.91	N/A	N/A
7,001 to 15,000 Gallons	2.40	N/A	N/A
Over 15,000 Gallons	3.00	N/A	N/A
<u>5/8" x 3/4" Meter, Residential</u>			
0 to 3,000 Gallons	N/A	\$1.10	\$1.65
3,001 to 10,000 Gallons	N/A	2.45	2.50
Over 10,000 Gallons	N/A	3.75	3.75
<u>5/8" x 3/4" Meter, Commercial and Industrial</u>			
0 to 10,000 Gallons	N/A	\$2.45	\$2.50
Over 10,000 Gallons	N/A	3.75	3.75
<u>3/4" Meter, Residential</u>			
0 to 3,000 Gallons	N/A	\$1.10	\$1.65
3,001 to 10,000 Gallons	N/A	2.45	2.50
Over 10,000 Gallons	N/A	3.75	3.75
<u>3/4" Meter, Commercial and Industrial</u>			
0 to 10,000 Gallons	N/A	\$2.45	\$2.50
Over 10,000 Gallons	N/A	3.75	3.75
<u>1" Meter, All Classes</u>			
0 to 20,000 Gallons	N/A	\$2.45	N/A
Over 20,000 Gallons	N/A	3.75	N/A
0 to 10,000 Gallons	N/A	N/A	\$2.50
Over 10,000 Gallons	N/A	N/A	3.75

1	<u>1 1/2" Meter, All Classes</u>			
	0 to 30,000 Gallons	N/A	\$2.45	N/A
2	Over 30,000 Gallons	N/A	3.75	N/A
3	0 to 10,000 Gallons	N/A	N/A	\$2.50
4	Over 10,000 Gallons	N/A	N/A	3.75
5	<u>2" Meter, All Classes</u>			
	0 to 50,000 Gallons	N/A	\$2.45	N/A
6	Over 50,000 Gallons	N/A	3.75	N/A
7	0 to 10,000 Gallons	N/A	N/A	\$2.50
8	Over 10,000 Gallons	N/A	N/A	3.75
9	<u>3" Meter, All Classes</u>			
	0 to 75,000 Gallons	N/A	\$2.45	N/A
10	Over 75,000 Gallons	N/A	3.75	N/A
11	0 to 10,000 Gallons	N/A	N/A	\$2.50
12	Over 10,000 Gallons	N/A	N/A	3.75
13	<u>4" Meter, All Classes</u>			
	0 to 90,000 Gallons	N/A	\$2.45	N/A
14	Over 90,000 Gallons	N/A	3.75	N/A
15	0 to 50,000 Gallons	N/A	N/A	\$2.50
16	Over 50,000 Gallons	N/A	N/A	3.75
17	<u>6" Meter, All Classes</u>			
	0 to 125,000 Gallons	N/A	\$2.45	N/A
18	Over 125,000 Gallons	N/A	3.75	N/A
19	0 to 80,000 Gallons	N/A	N/A	\$2.50
20	Over 80,000 Gallons	N/A	N/A	3.75
21	<u>8" Meter, All Classes</u>			
	0 to 200,000 Gallons	N/A	\$2.45	N/A
22	Over 200,000 Gallons	N/A	3.75	N/A
23	Standpipe Service (Per 1,000 Gallons)	\$3.00	\$3.75	\$3.75
24	...			
25	...			
26	...			
27	...			
28	...			

SERVICE LINE AND METER INSTALLATION CHARGES:
(Refundable pursuant to A.A.C. R14-2-40-5)

	<u>Present Rates</u>			<u>Company Proposed and Staff Recommended</u>		
	<u>Service Line</u>	<u>Meter Charge</u>	<u>Total Charge</u>	<u>Service Line</u>	<u>Meter Charge</u>	<u>Total Charge</u>
5/8" x 3/4" Meter	\$455.00	\$155.00	\$600.00	\$445.00	\$115.00	\$600.00
3/4" Meter	455.00	255.00	700.00	445.00	255.00	700.00
1" Meter	495.00	315.00	810.00	495.00	315.00	810.00
1 1/2" Meter	550.00	525.00	1,075.00	550.00	525.00	1,075.00
2" Turbine Meter	N/A	N/A	N/A	800.00	995.00	1,795.00
2" Meter	880.00	1,095.00	1,975.00	830.00	1,890.00	2,720.00
3" Turbine Meter	N/A	N/A	N/A	1,015.00	1,620.00	2,635.00
3" Meter	1,100.00	1,700.00	2,800.00	1,165.00	2,545.00	2,710.00
4" Turbine Meter	N/A	N/A	N/A	1,430.00	2,570.00	4,000.00
4" Meter	1,580.00	2,700.00	4,350.00	1,670.00	3,645.00	5,315.00
6" Turbine Meter	N/A	N/A	N/A	2,150.00	4,925.00	7,075.00
6" Meter	2,410.00	5,400.00	7,850.00	2,330.00	6,920.00	9,250.00
8" Meter and Larger	Cost	Cost	Cost	Cost	Cost	Cost

	<u>Present Rates</u>	<u>Company Proposed</u>	<u>Staff Recommended</u>
<u>SERVICE CHARGE:</u>			
Establishment	\$25.00	\$35.00	\$35.00
Establishment (After Hours)	50.00	N/A	N/A
After Hours Service Charge (At Customer's Request)	N/A	\$35.00	\$35.00
Reconnection (Delinquent)	\$50.00	40.00	40.00
Meter Test (If Correct)	25.00	25.00	25.00
Deposit	*	*	*
Deposit Interest	**	**	**
Reestablishment (Within 12 Months)	***	***	***
NSF Check	\$15.00	\$15.00	\$15.00
Deferred Payment (Per Month)	1.50%	1.50%	1.50%
Meter Reread (If Correct)	\$15.00	\$15.00	\$15.00
Late Payment (Per Month)	1.50%	1.50%	1.50%

MONTHLY SERVICE CHARGE FOR FIRE SPRINKLERS

4" or Smaller	****	****	****
6"	****	****	****
8"	****	****	****
10"	****	****	****
Larger than 10"	****	****	****

- * Per Commission rule A.A.C. R-14-2-403(B)(7).
 ** Per Commission rule A.A.C. R-14-2-403(B)(3).
 *** Number of months of system times the monthly minimum per Commission rule A.A.C. R14-2-403(D).

**** 2% of the monthly minimum for a comparable size meter connection but not less than \$10.00 per month. The service charge for fire sprinklers is only applicable for service lines separate and distinct from the primary water service line.

21. Because the Company did not provide a reconstructed cost new less depreciation ("RCND") study, its fair value rate base ("FVRB") is the same as its original cost rate base ("OCRB"). The Company and Staff agree that the test year rate base is \$133,002.

22. We find that Chaparral's FVRB of \$133,002 is reasonable and we adopt it.

23. Staff accepted the Company's reported test year operating revenue of \$138,470.

24. Staff made adjustments to the Company's test year total operating expenses, and recommended \$143,329, which is \$6,204 less than the Company's reported operating expenses of \$149,533. This decrease resulted from Staff's adjustments to water testing expense, rate case expense, depreciation expense, property tax and income expense. Chaparral accepted Staff's adjustments to the Company's test year expenses.

25. Based on Staff's analysis, Chaparral's present water rates and charges produced test year operating revenues of \$138,470 and adjusted operating expenses of \$143,329, which resulted in an operating loss of \$4,859 for no return of FVRB in the test year.

26. The water rates and charges proposed by the Company in its Comments to Staff Report would produce operating revenue of \$188,470 and adjusted operating expenses of \$153,733, resulting in an operating income of \$34,737, for a 26.12 percent rate of return on the \$133,002 FVRB, an operating margin of 18.43 percent, and a cash flow of \$46,806.

27. The water rates and charges recommended by Staff would produce operating revenues of \$180,176 and adjusted operating expenses of \$152,006, resulting in an operating income of \$28,170 or a 21.18 percent rate of return on the \$133,002 FVRB, an operating margin of 15.63 percent, and a cash flow of \$40,167. Staff believes that this cash flow is sufficient to enable Chaparral to address any contingencies.

28. We find that Staff's recommended operating revenues of \$180,176 are reasonable and we shall adopt Staff's recommendation.

29. The Company's proposed rates would result in a monthly increase of \$10.78, from \$34.52 to \$45.30, or 31.2 percent, for an average usage residential customer on a 3/4 x 5/8-inch meter.

1 For a median usage customer, the Company's proposed rates would increase the monthly bill by
2 \$10.07, from \$26.04 to \$36.11, or 38.7 percent.

3 30. Staff's recommended rates would result in a monthly increase of \$9.27, from \$34.52 to
4 \$43.79, or 26.9 percent, for an average usage (10,293 gallons/month) residential customer on a 3/4 x
5 5/8-inch meter. For a median usage (6,697 gallons/month) customer, Staff's proposed rates would
6 increase the monthly bill by \$8.40, from \$26.04 to \$34.44, or 32.3 percent.

7 31. Chaparral argues that Staff's rate design results in only 42 percent of Staff's
8 recommended revenues being generated by the monthly minimum, leaving 58 percent of its revenue to
9 come from the commodity rates. The Company states that this division results in an unstable revenue
10 stream, especially if its higher use customers begin to conserve more water. In its Comments to Staff
11 Report, Chaparral urges that, in the event the Commission adopts Staff's recommended revenue
12 requirement, the Commission should also adopt Chaparral's alternative rate design found in
13 Attachment 4 to its Comments to Staff Report. Chaparral's alternative rate design results in a revenue
14 split of 48 percent from the monthly minimum and 52 percent from commodity charges.

15 32. We note that in the Company's prior rate case, the average and median usages were
16 12,823 gallons and 8,516 gallons, respectively. In the current test year, the average and median usages
17 were 10,293 gallons and 6,697 gallons, respectively. We agree with Chaparral that if customers' usage
18 amounts continue to decline, Staff's reliance on 58 percent of its recommended revenues from
19 commodity rates may result in a more unstable revenue stream than would the Company's proposed
20 52 percent.

21 33. Under the specific circumstances of this case, we believe that a more balanced revenue
22 stream, comprised of 48 percent from monthly minimum charge and 52 percent from commodity
23 charge, is desirable, and we adopt the Company's alternative rate design.

24 34. Staff made the following additional recommendations:

- 25 • that the Company be authorized to collect from its customers an appropriate share
- 26 of any privilege, sales, or use tax as provided for in A.A.C. R14-2-409(D);
- 27 • that the Company adopt the depreciation rates set forth in Table H of the Engineering
- 28 Report attached to the Staff Report;

- that the Company file, with the Commission's Docket Control, as a compliance item in this docket, within 30 days of the effective date of this Decision, a schedule of its approved rates and charges; and
- that, as a compliance item in this matter, the Company notify its customers of the authorized rates and charges approved in this proceeding, and their effective date, in a form acceptable to Staff, by means of an insert in its next regular scheduled billing, and to file copies with Docket Control within 10 days of the date notice is sent to customers.

35. These recommendations are reasonable and should be adopted.

36. In Decision No. 71833 (August 10, 2010), the Commission directed Chaparral to annually file, as part of its Utilities Division Annual Report, an affidavit attesting that it is current in paying its property taxes in Arizona. We believe it is reasonable to require the Company to continue to do so.

CONCLUSIONS OF LAW

1. Chaparral is a public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-250 and 40-251.

2. The Commission has jurisdiction over Chaparral and of the subject matter of the Application.

3. Notice of the Application was provided in the manner prescribed by law.

4. The rates and charges authorized hereinafter are just and reasonable and should be approved without a hearing.

5. Staff's recommendations in Finding of Fact No. 32 are reasonable and should be adopted.

ORDER

IT IS THEREFORE ORDERED that Chaparral Water Properties Inc., dba Chaparral Water Company is hereby directed to file with Docket Control, by April 29, 2016, as a compliance item in this docket, revised rate schedules that set forth the following new rates and charges:

...

...

MONTHLY USAGE CHARGE:

1	5/8" x 3/4" Meter	\$23.00
2	3/4" Meter	34.50
	1" Meter	57.50
3	1 1/2" Meter	115.00
4	2" Meter	184.00
	3" Meter	368.00
5	4" Meter	575.00
	6" Meter	1,150.00
6	8" Meter	2,400.00

COMMODITY RATES**(Per 1,000 Gallons)****5/8" x 3/4" Meter, Residential**

9	0 to 3,000 Gallons	\$1.10
10	3,001 to 10,000 Gallons	2.30
11	Over 10,000 Gallons	3.50

5/8" x 3/4" Meter, Commercial and Industrial

12	0 to 10,000 Gallons	2.30
13	Over 10,000 Gallons	3.50

3/4" Meter, Residential

14	0 to 3,000 Gallons	1.10
15	3,001 to 10,000 Gallons	2.30
16	Over 10,000 Gallons	3.50

3/4" Meter, Commercial and Industrial

17	0 to 10,000 Gallons	2.30
18	Over 10,000 Gallons	3.50

1" Meter, All Classes

19	0 to 20,000 Gallons	2.30
20	Over 20,000 Gallons	3.50

1 1/2" Meter, All Classes

21	0 to 30,000 Gallons	2.30
22	Over 30,000 Gallons	3.50

2" Meter, All Classes

23	0 to 50,000 Gallons	2.30
24	Over 50,000 Gallons	3.50

3" Meter, All Classes

25	0 to 75,000 Gallons	2.30
26	Over 75,000 Gallons	3.50

4" Meter, All Classes

0 to 90,000 Gallons	2.30
Over 90,000 Gallons	3.50

6" Meter, All Classes

0 to 125,000 Gallons	2.30
Over 125,000 Gallons	3.50

8" Meter, All Classes

0 to 200,000 Gallons	2.30
Over 200,000 Gallons	3.50

Standpipe Service (Per 1,000 Gallons)	3.50
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SERVICE LINE AND METER INSTALLATION CHARGES:
(Refundable pursuant to A.A.C. R14-2-40-5)

	<u>Service Line</u>	<u>Meter Charge</u>	<u>Total Charge</u>
5/8" x 3/4" Meter	\$445.00	\$115.00	\$300.00
3/4" Meter	445.00	255.00	700.00
1" Meter	495.00	315.00	810.00
1 1/2" Meter	550.00	525.00	1,075.00
2" Turbine Meter	800.00	995.00	1,795.00
2" Compound Meter	830.00	1,890.00	2,720.00
3" Turbine Meter	1,015.00	1,620.00	2,635.00
3" Compound Meter	1,165.00	2,545.00	3,710.00
4" Turbine Meter	1,430.00	2,570.00	4,000.00
4" Compound Meter	1,670.00	3,645.00	5,315.00
6" Turbine Meter	2,150.00	4,925.00	7,075.00
6" Compound Meter	2,330.00	6,930.00	9,250.00
8" Meter and Larger	Cost	Cost	Cost

SERVICE CHARGE:

Establishment	\$35.00
After Hours Service Charge (At Customers Request)	35.00
Reconnection (Delinquent)	40.00
Meter Test (If Correct)	25.00
Deposit	*
Deposit Interest	**
Reestablishment (Within 12 Months)	***
NSF Check	\$15.00
Deferred Payment (per month)	1.50%
Meter Reread (If Correct)	\$15.00
Late Payment (per month)	1.50%

...

MONTHLY SERVICE CHARGE FOR FIRE SPRINKLERS

4" or Smaller	****
6"	****
8"	****
10"	****
Larger than 10"	****

* Per Commission rule A.A.C. R-14-2-403(B)(7).

** Per Commission rule A.A.C. R-14-2-403(B)(3).

*** Number of months of system times the monthly minimum per Commission rule A.A.C. R14-2-403(D).

**** 2% of the monthly minimum for a comparable size meter connection but not less than \$10.00 per month. The service charge for fire sprinklers is only applicable for service lines separate and distinct from the primary water service line.

IT IS FURTHER ORDERED that the above rates and charges shall be effective for all services provided on and after May 1, 2016.

IT IS FURTHER ORDERED that in addition to collection of its regular rates and charges, Chaparral Water Properties Inc., dba Chaparral Water Company shall collect from its customers a proportionate share of any privilege, sales or use tax pursuant to A.A.C. R14-2-409(D).

IT IS FURTHER ORDERED that Chaparral Water Properties Inc., dba Chaparral Water Company shall notify its customers of the water rates and charges approved herein, and their effective date, by means of an insert in its next monthly billing and shall file a copy of the notice when sent to its customers with the Commission's Docket Control, as a compliance item in this docket, within 10 days of having been sent to the customers.

IT IS FURTHER ORDERED that Chaparral Water Properties Inc., dba Chaparral Water Company shall file with Docket Control, as a compliance item in this docket, within 30 days of the effective date of this Decision, either an updated ADWR Compliance Status Report indicating that the Chaparral Water Properties Inc., dba Chaparral Water Company is in compliance with ADWR requirements, or a letter explaining why the Company is out of compliance with ADWR regulations and what steps are being taken to correct the issue.

IT IS FURTHER ORDERED that Chaparral Water Properties Inc., dba Chaparral Water Company shall continue to use the depreciation rates presented in Table H of the Engineering Report attached to the Staff Report as Attachment A.

1 IT IS FURTHER ORDERED that Chaparral Water Properties Inc., dba Chaparral Water
2 Company shall continue to annually file, as part of its Utilities Division Annual Report, an affidavit
3 attesting that it is current in paying its property taxes in Arizona.

4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.
6
7

8 CHAIRMAN

COMMISSIONER

9
10 COMMISSIONER

COMMISSIONER

COMMISSIONER

11
12 IN WITNESS WHEREOF, I, JODI JERICH, Executive Director
13 of the Arizona Corporation Commission, have hereunto set my
14 hand and caused the official seal of the Commission to be affixed
15 at the Capitol, in the City of Phoenix, this _____ day
16 of _____ 2016.

17 JODI JERICH
EXECUTIVE DIRECTOR

18 DISSENT: _____
19

20 DISSENT: _____

21 BM:rt _____
22
23
24
25
26
27
28

1 SERVICE LIST FOR: CHAPARRAL WATER PROPERTIES, INC., DBA
2 CHAPARRAL WATER COMPANY

3 DOCKET NO.: W-02393A-15-0349

4 Steve Wene
5 MOYES, SELLERS & HENDRICKS, LTD.
6 1850 North Central Avenue, Suite 1100
7 Phoenix, AZ 85004

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